



State Agency Coordinating Committee

STATE AGENCY INTERNAL AUDIT FORUM

February 10, 2017

Agenda

- Introductions
- Approval of Minutes – January 13, 2017
- Training – Sunset Commission Overview
- Committee Updates
- Open Comments
- Adjourn

Approval of Minutes



State Agency Coordinating Committee

Training: Sunset Commission Overview

Overview of the Sunset Process in Texas

2016–2017 Review Cycle



What is Sunset?

- ❖ **Created in 1977 by the Texas Legislature**
- ❖ **A key tool for the Legislature to oversee state agencies and improve how Texas government works**
- ❖ **Agencies under Sunset are abolished unless continued by the Legislature**
 - Forces critical thinking about the need for and performance of an agency
 - Not just about abolishment - creates strong incentive to pass reforms

Which agencies go through Sunset?

❖ About 130 agencies subject to Sunset

- Most executive branch agencies
- Universities and courts are exempt
- Some special purpose reviews (ex. river authorities)

❖ Legislature sets Sunset schedule in law, usually every 12 years for each agency

❖ 20–30 agencies under review each biennium

Current Review Schedule

2016–2017 Review Cycle (85th Legislative Session)

THEME: Occupational Regulation

- ❖ State Bar of Texas
- ❖ Texas Board of Law Examiners
- ❖ Texas Medical Board
- ❖ Texas Board of Nursing
- ❖ State Board of Dental Examiners
- ❖ Texas State Board of Pharmacy
- ❖ Texas State Board of Chiropractic Examiners
- ❖ Texas Board of Occupational Therapy Examiners
- ❖ Texas Board of Physical Therapy Examiners
- ❖ Executive Council of Physical Therapy and Occupational Therapy Examiners
- ❖ Texas Optometry Board
- ❖ Texas State Board of Podiatric Medical Examiners
- ❖ Texas State Board of Examiners of Professional Counselors
- ❖ Texas State Board of Examiners of Marriage and Family Therapists
- ❖ Texas State Board of Examiners of Psychologists
- ❖ Texas State Board of Social Worker Examiners
- ❖ State Board of Veterinary Medical Examiners

Other Major Agencies:

- ❖ Railroad Commission of Texas
- ❖ Texas Department of Transportation
- ❖ Employees Retirement System of Texas

River Authorities:

- ❖ Central Colorado
- ❖ Palo Duro
- ❖ Sulphur River Basin
- ❖ Upper Colorado

Who Is Sunset?



Chair and Vice Chair rotate between the Senate and House each biennium.

Staff of 30 supports the Sunset Commission members.

Current Sunset Members

SENATE

- Sen. Van Taylor, *Vice-Chair*
- Sen. Juan “Chuy” Hinojosa
- Sen. Robert Nichols
- Sen. Charles Schwertner
- Sen. Kirk Watson
- LTC Allen B. West (US Army Ret.), *Public Member*

HOUSE

- Rep. Larry Gonzales, *Chair*
- Rep. Cindy Burkett
- Rep. Dan Flynn
- Rep. Senfronia Thompson
- Rep. Richard Peña Raymond
- William Meadows, *Public Member*

Sunset Process – Three Phases

Public involvement throughout!

❖ **Phase 1: Sunset staff evaluation**

❖ **Phase 2: Sunset Commission
deliberation**

❖ **Phase 3: Legislative Action**

What Standards Guide a Sunset Review?

- ❖ Criteria in the Texas Sunset Act (Texas Government Code, Chapter 325)
- ❖ Across-the-Board “Good Government” Provisions
- ❖ Model Standards for Licensing/Regulation and Contracting
- ❖ Industry-specific best practices

Impact of Sunset Since 1977

❖ Streamlining state government

- 37 agencies/programs abolished outright
- 46 agencies/programs consolidated

❖ Saving taxpayers money

- \$980 million in savings and increased revenues
- Returned \$23 for every \$1 spent on Sunset

❖ Providing effective oversight

- Conducted 500 reviews of state agencies and programs
- About 80% of the Sunset Commission's recommendations typically become law
- Major reforms in every area of government

Examples of Internal Audit Role in the Sunset Process

- ❖ Identify areas of risk
- ❖ Identify statutory barriers
- ❖ Provide input on Sunset recommendations
- ❖ Coordinate internal audits with Sunset recommendations

Suggestions for Effective Collaboration with Sunset

- ❖ Don't be afraid to give your opinion and overall impressions
- ❖ Share ideas on broader risk areas, not just current audit plan
 - Do previous audits point to larger problems?

www.sunset.texas.gov

- ❖ Information and flow charts on how Sunset works
- ❖ Dedicated page for each agency currently under review
- ❖ Public input forms to submit comments on an agency under review
- ❖ Sunset Commission meeting schedule
- ❖ Database of all previous Sunset reviews, reports, and results

Sign up for our e-mail lists, and follow @TX_Sunset on Twitter, LinkedIn, and Facebook for announcements

Questions?

Committee Updates

Legislative Issues

Legislative Issues Committee

Co-Chairs

- Cheryl Scott
- Zoi Kondis
- Darrell Carter (as available)

Objective / Deliverable

- To monitor proposed legislation that may directly or indirectly impact the Internal Audit function.
- Provide SAIAF members a monthly summary of pending legislation impacting the Internal Audit function.

Deliverable Update / Requests

- Bills Update submitted to SAIAF website
- Will continue to update bi-weekly
- Bill Analysis for next meeting

Legislative Issues Committee – Key Dates Refresh

Description	Date
Bill pre-filing begins:	Nov 14, 2016
1st day of session	Jan 10, 2017
60-day bill filing deadline	Mar 10, 2017
Adjournment sine die	May 29, 2017
Post-session 20-day deadline for governor to sign or veto	June 18, 2017
Effective date (91st day after adjournment):	Aug 28, 2017

Peer Review

Peer Review Committee

Chair

- Luis Solis, Texas Workforce Commission

Objective

- To provide SAIAF members with a peer review program to prepare for, conduct and report the results of a quality assessment review in accordance with Standards and guidance.

Deliverables

- Provide training to qualified, independent assessors to conduct peer reviews at member institutions.
- Update and maintain the peer review program.
- Maintain point balances and communicate them.
- Coordinate peer reviews actively.

Peer Review

Deliverable	Current Status/ Accomplishments	Next Step(s)	Completion Date	Assistance Required
Provide Training	Slides Under Review		April (Will offer several training sessions to start)	
Update and Maintain the Peer Review Program	Updated with current Standard changes	Member comments/ Approval	March (End of Comments)/April for Approval	
Maintain Point Balances and Communicate Them	Ongoing/Current			
Coordinate Peer Reviews Actively	Ongoing			



State Agency Coordinating Committee

Internal Audit Leadership Development Program

Internal Audit Leadership Development

Chair

- Catherine Melvin, Department of Public Safety

Objective

- To promote and develop the future leaders of the Texas state government internal auditing community. The IALDP is specifically designed to develop and prepare future Texas state government Chief Audit Executives (CAEs).

Deliverables

- Curriculum-based program with help from SAIAF leaders/volunteers
- Role-play/simulation-based exercises
- Continuing Professional Education

Internal Audit Leadership Development

- Recently completed Session 3.
- Thank you to IA Directors who have volunteered to serve on mock Audit Committees. I will be in touch once date/details are finalized.
- IALDP Cohort VIII still on track to present their group project at May SAIAF meeting.

Technology

Information Technology Committee

Chair

- Sandra Menjivar-Suddeath, Department of Motor Vehicles

Objective

- To help state internal audit functions create, identify, and retain quality IT auditors and help mitigate risks by increasing awareness of IT risks by:
 - Improving the IT audit function
 - Increasing visibility and understanding of emerging and high IT risks areas
 - Identifying IT technologies that can help audit functions gain efficiencies

Planned Deliverables

- IT Training
- IT Annual Audit Plan Risk Methodology
- IT Auditor Development

Information Technology

Deliverable	Current Status/ Accomplishments	Next Step(s)	Completion Date	Assistance Required
IT Training	Exploring options and partners	Survey	2019 - 2020	
IT Annual Audit Plan Risk Methodology/ IT Tools	Collecting tools to evaluate	Evaluate Tools	2018	
IT Auditor Development	On-hold	Survey	2019 - 2020	

Information Technology – Survey

- A survey will be sent to SAIAF members
- Survey will collect information on the following :
 - IT Auditor Experience, Certification, and credentials
 - Type of IT Audits conducted
 - How many IT Audits conducted each fiscal year

Teammate

Teammate Committee

Chair

- Nicole Kludt, Health and Human Services Commission

Objectives

- To provide a source of information and expertise related to the operation and maintenance of TeamMate by:
 - Staying current on new releases of TeamMate as well as any known issues
 - Reviewing TeamMate Connect for discussions from other users that may be relevant to SAIAF users
 - Serving as a resource for SAIAF members

Deliverable

- Training/Presentations

Teammate

Deliverable	Current Status/ Accomplishments	Next Step(s)	Completion Date	Assistance Required
Training/ Presentations	Completed Data Analytics Training	Discussion on TeamCloud (Hosting)	2/10/17	Sandra Menjivar- Suddeath

Open Comments



State Agency Coordinating Committee

Motion to Adjourn

Next Meeting Date:

Physical Location:

March 10, 2017

Texas Department of Transportation

125 E 11th Street